A **DANONE BISCUITS MANUFACTURING (M) SDN BHD**

v.

HWA TAI INDUSTRIES BHD

B HIGH COURT MALAYA, JOHOR BAHRU
AZAHAR MOHAMED J
[SUIT NO: 22-180-2001]
17 JANUARY 2010

C ***TRADE MARKS:*** *Infringement - Passing off - Similarity of labels and get up - Whether there was likelihood of confusion to public - Section 38 Trade Marks Act 1976*

TRADE MARKS: *Passing off - Goodwill and reputation - Similarity in colour - Similarity in get up - Likelihood of confusion - Whether requirements of passing off met*

D

The plaintiff carries out the manufacture, distribution and sale of, among others chocolate chip cookies bearing the trade mark ChipsMore. The ChipsMore cookies have been sold in Malaysia E since 1990 and are also exported to other countries in the region. Sometime on or about 5 April 2001, the plaintiff discovered that the chocolate chip cookies manufactured by the defendant which were being sold in the market bearing the trade mark "Chipsplus" and a get-up and packaging which, according to the plaintiff, were F confusingly similar with the plaintiff's ChipsMore trade mark, get-up and packaging. The plaintiff through its solicitors, requested the defendant cease and desist from its unlawful act. However, the defendant through its solicitors denied the same and continued with the manufacture, sale and distribution of chocolate chip cookies G bearing the Chipsplus trade mark, get-up and packaging. The plaintiff then brought the present action against the defendant claiming trade mark infringement and passing off.

Held (allowing the plaintiff's claim with costs):

H

[1] With regards to the trade mark infringement claim, the Certificate of Registration (exh. P2) and the Renewal Certificate (exh. P3) were conclusive evidence to prove that the plaintiff's ChipsMore trade mark was valid and a subsisting trade mark at the time the plaintiff commenced the present action. Having I regard to the totality of the circumstances of the case and

applying the test mentioned in *The Pianotist Co's Application* [1906] 23 RPC 774 and considering the appearance of the two marks with their features, the mark 'Chipsplus' used by the defendant so nearly resembled the plaintiffs trademark 'ChipsMore' as to be likely to cause confusion. The similarity between the two marks was great that there was a high likelihood of confusion ensuing if any purchase of chocolate chip cookies was made by reference to the marks. As the plaintiff had not authorized or licensed the defendant to use that registered trade mark, the use of the Chipsplus trademark by the defendant for identical goods, namely, chocolate chip cookies amounted to infringement of the plaintiffs registered "ChipsMore" trade mark under s. 38(1) of the Trade Marks Act 1976 (the Act). *Tohtonku Sdn Bhd v. Superface (M) Sdn Bhd* (foll); *Harry Reynolds v. Laffeaty's Ld, Dodwell & Coy Ld, And S Guiterman & Coy Ld* (refd); *Bailey's Application* (refd); *Egg Product's Application* (refd); *Accutreu Trade Mark* (refd); *JC & J Field, Ld v. Wagel Syndicate, Lit* (refd); *The Pianotist Go's Application* (foll). (paras 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20 & 21)

[2] The plaintiff here had acquired substantial goodwill and reputation in its business and trade in chocolate chip cookies bearing the ChipsMore trade mark, get-up and packaging. The plaintiff was entitled to the exclusive use of the ChipsMore trade mark, get-up and packaging in connection with chocolate chip cookies to the exclusion of others including the defendant. Based on the evidence adduced, the plaintiff had goodwill and reputation in its ChipsMore trademark and the packaging of the ChipsMore chocolate chip cookies by having the ChipsMore trademark in a wavelike manner, with the colours blue and yellow on the packaging. (para 22)

[3] The defendant's Chipsplus trade mark, get-up and packaging were confusingly and deceptively similar to the plaintiff's ChipsMore trade mark, get-up and packaging. The striking similarities rendered the trade and public to be confused as they are identical goods and the likelihood of confusion between the two products was extremely high. The ChipsMore trade mark, get-up and packaging had become distinctive of the plaintiff's product and the use by the defendant of similar trade mark, get-up and packaging was likely to deceive or cause deception

or confusion to a potential buyer of chocolate chip cookies. As the chocolate chip cookies of the plaintiff and defendant are in direct competition with one another, the court would infer likelihood of damage to the plaintiff's goodwill through the loss of sale. Thus the defendant has passed off its products as the products of the plaintiff. *Seet Chuan Seng & Anor v. The Yih Jia Food Manufacturing Pte Ltd* (foll). (para 23)

Case(s) referred to:

Accutreu Trade Mark [1966] RFC 152 ***(refd)***
Bailey's Application [1935] 52 RPC 136 ***(refd)***
Egg Product's Application [1922] 39 RPC 155 ***(refd)***
Harry Reynolds v. Laffeaty's Ld, Dodwell & Coy Ld, And S Guiterman & Coy Ld [1958] RFC 387 ***(refd)***
JC & J Field, Ld v. Wagel Syndicate, Lit [1900] 17 RPC 266 ***(refd)***
Seet Chuan Seng & Anor v. Tee Yih Jia Foods Manufacturing Pte Ltd [1994] 3 CLJ 7 SC ***(refd)***
The Pianotist Go's Application [1906] 23 RPC 774 ***(foll)***
Tohtonku Sdn Bhd v. Superace (M) Sdn Bhd [1992] 2 CLJ 1153; [1992] 1 CLJ (Rep) 344 ***(foll)***

Legislation referred to:

Trade Marks Act 1976, ss. 35, 38(1)

For the plaintiff - Gerald Samuel; M/s Miranda & Samuel
For the defendant - Lua Ai Siew; M/s Soo Thien Ming & Nashrah

Reported by Susheila Sreedharan

JUDGMENT

Azahar Mohamed J:

[1] The plaintiff is a part of the Danone Group of Companies Generale Biscuit SA, a company that is incorporated in France with its registered address at 4-6, Rue Edouard Vaillant 91200 Athis-Mons, France. The plaintiff carries out the manufacture, distribution and sale of, among others chocolate chip cookies bearing the trade mark ChipsMore. The ChipsMore chocolate chip cookies manufactured by the plaintiff have been sold in Malaysia since 1990. The plaintiff's ChipsMore chocolate chip cookies are not only distributed nationwide but are also exported to other countries in the region, such as Maldives, Vietnam, Indonesia, Singapore, Thailand and the Philippines.

[2] Sometime on 5 April 2001 or thereabout, the plaintiff discovered that the chocolate chip cookies manufactured by the defendant which were being sold in the market bearing the trade mark "Chipsplus" and a get-up and packaging which, according to the plaintiff, were confusingly similar with the plaintiff's ChipsMore trade mark, get-up and packaging. After that, the plaintiff had through its solicitors, issued a letter to the defendant requesting that the defendant cease and desist from its unlawful act. However, the defendant had through its solicitors, denied the same and continued with the manufacture, sale and distribution of chocolate chip cookies bearing the Chipsplus trade mark, get-up and packaging. Subsequently, the plaintiff brought the present action against the defendant. In essence, the plaintiff claims that:

(a) the defendant's trade mark Chipsplus has infringed the plaintiff's registered trade mark ChipsMore (trade mark infringement claim); and

(b) the defendant is passing off the plaintiff's ChipsMore trade mark, get-up and packaging by manufacturing or otherwise offering for sale chocolate chips cookies bearing the Chipsplus trade mark, get-up and packaging (claim in passing off).

[3] In this action, the plaintiff prays for a permanent injunction to restrain the defendant from manufacturing or otherwise offering for sale the defendant's Chipsplus chocolate chips cookies, an order for delivery up of the defendant's Chipsplus chocolate chips cookies which are in the defendant's possession and control, and damages.

The Plaintiff's Case

[4] The plaintiff has registered the ChipsMore trade mark under Trade Mark Registration No. 90/07035(6) as "ChipsMore" in class 30 in respect of biscuits, which includes chocolate chip cookies. The registration of the plaintiff's registered "ChipsMore" trade mark is and has been valid and subsisting at all material times and is enforceable throughout Malaysia under the Trade Marks Act 1976 (the Act). Besides Malaysia, the ChipsMore trade mark is also registered in other countries such as France and China by the proprietor of the mark being Generale Biscuit SA. The plaintiff has sold an extensive and substantial quantity of chocolate chip cookies bearing the ChipsMore trade mark, get-up and packaging in

Malaysia. By virtue of the sales, advertising, and promotion, the plaintiff has acquired substantial goodwill and reputation in its business and trade in chocolate chip cookies bearing the ChipsMore trade mark get-up and packaging.

[5] With regard to trade mark infringement, it is the contention of the plaintiff that the Chipsplus trade mark applied to the defendant's chocolate chip cookies is phonetically and visually similar, as well as semantically identical, to the plaintiff's registered ChipsMore trade mark applied to chocolate chip cookies. The plaintiff contended that the use of the Chipsplus trade mark by the defendant for identical goods, namely, chocolate chip cookies amount to infringement of the plaintiff's registered "ChipsMore" trade mark.

[6] With regard to passing off of trade mark, get-up and packaging, the plaintiff averred that the striking similarities between the ChipsMore trade mark, get-up and packaging and the Chipsplus trade mark, get-up and packaging, renders the trade and the public to be confused and/or deceived. The defendant's acts of distributing and selling chocolate chip cookies bearing the Chipsplus trade mark get-up and packaging amount to passing off of the defendant's Chipsplus chocolate chip cookies as and for the plaintiff's ChipsMore chocolate chip cookies.

[7] It is the plaintiff's case that the acts and conducts of the defendant are calculated to misappropriate the commercial advantage enjoyed by the plaintiff through its goodwill and reputation in the ChipsMore trade mark, get-up and packaging. The plaintiff avers that it will suffer serious and irreparable loss and damage to its business, reputation and goodwill if the defendant is not restrained from carrying out its acts of distributing and selling the defendant's offending chocolate chip cookies in Malaysia.

The Defendant's Case In Summary

[8] It is the contention of the defendant that the registration of ChipsMore trade mark by the plaintiff has lapsed and/or irregular and/or invalid. The defendant denies that the trade mark, get-up and the packaging of Chipsplus is confusingly similar with the trade mark, get-up and the packaging of ChipsMore. The defendant contends that the plaintiff has failed to satisfy the test of trade

mark infringement as laid out in s. 38 of the Act whereby the mark used by the defendant ie, Chipsplus is likely to deceive or cause confusion in the course of the trade. Thus, there is no infringement of the plaintiff's trade mark pursuant to the provisions in s. 38 of the Act.

[9] The defendant also contends that the essence of passing off is the existence of goodwill and the plaintiff has the onus to prove the existence of goodwill in the ChipsMore trade mark. The defendant avers that the plaintiff has failed to show that the trade mark, get-up and packaging of Chipsplus are confusingly similar and/or deceptively similar with that of the trade mark, get-up and packaging of ChipsMore.

Findings Of The Court With Regards To The Trade Mark Infringement Claim

[10] Learned counsel for the defendant has argued that the trademark of the plaintiff, ChipsMore is not valid and subsisting at the time of filing of the present suit. Now, based on the renewal certificate, the wording shown in it is as follows:

> I hereby certify that the above Trade Mark registration has been renewed for a period of 10 years until 29.10.2007

[11] While it is not being disputed that the trademark was in the first place registered on 29 October 1990 in Part B, Class 30 of the Register of Trade Mark, according to the renewal certificate, it is evident that:

(a) The period of registration is to be renewed from the date of its expiry ie, 29 October 1997 to 29 October 2007;

(b) The word "renewed" clearly shown the continuance of the trade mark registration until 29 October 2007.

[12] It is to be noted that the plaintiff's writ of summons was issued on 26 April 2001. In this regard, Section 35 of the Act states as follows:

> (i) Subject to the provisions of this Act, the registration of a person as registered proprietor of a trade mark (other than a certification trade mark) in respect of any goods or services shall if valid, give or be deemed to have been given to that

A person the exclusive right to the use of the trade mark in relation to those goods or services subject to any condition, amendments or limitations entered in the Register.

[13] Thus, in my view, the Certificate of Registration (exh. P2) and the Renewal Certificate (exh. P3) are conclusive evidence to prove that the plaintiff's Chipsmore trade mark is valid and subsisting trade mark at the time the plaintiff commenced the present action.

[14] Section 38 of the Act sets forth the rules on trade mark infringement as follows:

38. Infringement of a trade mark.

(1) A registered trade mark is infringed by a person who, not being the registered proprietor of the trade mark or registered user of the trade mark using by way of permitted use, uses a mark which is identical with it or so nearly resembling it as is likely to deceive or cause confusion in the course of trade in relation to goods or services in respect of which the trade mark is registered in such a manner as to render the use of the mark likely to be taken either:

(a) as being use as a trade mark;

(b) in a case in which the use is use upon the goods or in physical relation thereto or in an advertising circular, or other advertisement, issued to the public, as importing a reference to a person having the right either as registered proprietor or as registered user to use the trade mark or to goods with which the person is connected in the course of trade; or

(c) in a case in which the use is use at or near the place where the services are available or performed or in an advertising circular or other advertisement issued to the public, as importing a reference to a person having a right either as registered proprietor or as registered user to use the trade mark or to services with the provision of which the person is connected in the course of trade.

[15] In *Tohtonku Sdn Bhd v. Superace (M) Sdn Bhd* [1992] 2 CLJ 1153; [1992] 1 CLJ (Rep) 344, the Supreme Court held:

Under s. 38 of the Trade Mark Act, a registered trade mark is infringed by a person who uses a mark which:

(a) Is identical with; or

(b) So nearly resembling it was likely to deceive; or

(c) So nearly resembling it as is likely to cause confusion.

[16] It is important to take note that the operative word pertaining to infringement in s. 38 of the Act, is "likely to deceive or cause confusion". "Likely" denotes that what is required to be established is only probability or possibility of confusion. In addressing this issue, it is necessary to take into account the meaning conveyed by the words or the ideas suggested by them, as was held in *Harry Reynolds v. Laffeaty's Ld, Dodwell & Coy Ld, And S Guiterman & Coy Ld* [1958] RFC 387 where the court held that there was a sufficient resemblance in appearance, sound and idea between 'Aquamatic' and "Watermatic" to render the latter an infringement of the registered mark "Aquamatic".

[17] For one thing, in the present case, there can be no doubt that there is the indistinguishable phonetic representation of the prefix 'chips'. For another, while "Plus" and "More" are two different words, there is a sufficient resemblance in idea. In deciding similarity between two words, the words have to be considered as a whole. When comparing the two words to see whether one would be confused with and mistaken for the other, the words should be compared as a whole and not merely comparing syllable, and that regard should be paid to the fact that the word is to be used upon goods similar to those upon which the other party is being used (see: *Bailey's Application* [1935] 52 RPC 136). The true test is whether the totality of the trademark is such that it is likely to cause mistake, deception, or confusion. In the case of *Egg Product's Application* [1922] 39 RPC 155, the word "Egall" was held similar to "Egroll" as to make confusion likely.

[18] It is important to emphasize that the plaintiff's ChipsMore trade mark is used in a distinctive packaging for chocolate chip cookies with the following distinctive features: plastic packaging of rectangular shape containing the said chocolate chip cookies; the ChipsMore trade mark; the placing of the "ChipsMore" trade mark in a wavelike manner, printed prominently on the front and sides of the rectangular plastic packaging; the colour yellow applied to the whole of the packaging, including the front and back; the

representation of the product, ie, a chocolate chip cookie, depicted on the right hand side of the packaging; the chocolate chips scattered across the packaging concentrated mainly on the right of the packaging and tapering off towards the left of the packaging; a blue swathe spanning across the packaging from left to right.

[19] In my view, one cannot disregard the descriptive element "Chips" and only focus on "More" and "Plus". The likelihood of confusion is to be decided by a comparison of the words as a whole. In this regard, reference can be made to the case of *Accutreu Trade Mark* [1966] RFC 152 where "Accutron" was held similar to "Accur1st" and in *JC & J Field, Ld v. Wagel Syndicate, Lit* [1900] 17 RPC 266, where "Savoline" was held similar to "Savonal". As stated by Parker J in *The Pianotist Go's Application* [1906] 23 RPC 774:

> ... You must take the two words. You must judge of them, both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact you must consider all the circumstances; and you must further consider what is likely to happen if each of those trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks,

[20] I have had the benefit of seeing and examining the plaintiff's registered trade mark, 'Chipsmore' and the defendant's trade mark Chipsplus. In comparing both the marks, I observe and find as follows:

(i) The identical phonetic representation of the prefix "Chips";

(ii) The similar import of the suffixes "Plus" and "More";

(iii) The omission of the space between the two individual words "Chips" and "Plus", corresponding to omission of the space between the two individual words "Chips" and "More";

(iv) The larger letter "C" of the prefix and "P" of the suffix compared to the rest of the Chipsplus trade mark, corresponding to the larger letter "C of the prefix and "M" of the suffix compared to the rest of the ChipsMore trade mark; and

(v) The similar stylized double perimeter around the alphabets of both trade marks.

[21] In my view, having regard to the totality of the circumstances of the case and applying the test mentioned in the *Pianotist Co's Application (supra)* and considering the appearance of the two marks with their features, the mark 'Chipsplus' used by the defendant so nearly resembles the plaintiffs trademark 'ChipsMore' as to be likely to cause confusion. I should add a further point to give some context. The similarity between the two marks is great that there is a high likelihood of confusion ensuing if any purchase of chocolate chip cookies is made by reference to the marks. In view of the fact that the plaintiff has not authorized or licensed the defendant to use that registered trade mark, the use of the Chipsplus trademark by the defendant for identical goods, namely, chocolate chip cookies amounts to infringement of the plaintiffs registered "ChipsMore" trade mark under s. 38(1) of the Act.

Findings Of The Court With Regards To Claim In Passing Off

[22] In the case of *Seet Chuan Seng & Anor v. Tee Yih Jia Foods Manufacturing Pte Ltd* [1994] 3 CLJ 7, the Supreme Court held that:

> The principle of law regarding passing off has been plainly stated by Lord Parker in *Spalding v. Gamage* 84 LJ Ch 449 "and that is, that nobody has any right to represent his goods as the goods of somebody else". It is therefore wrong for a trader to conduct his business as to lead to the belief that his goods or business is the business of another. For an authority on passing off, we could do no better than to quote the words of Lord Diplock in the leading speech in *Erven Warnink v. Townend & Sons (Hull) Ltd*:
>
> My Lords, *AG Spalding & Bros v. AW Gamage Ltd*., 84 LJ Ch 449 and the later cases make it possible to identify five characteristics which must be present in order to create a valid cause of action for passing off:
>
> (1) a misrepresentation (2) made by a trader in the course of trade, (3) to prospective customers of his or ultimate consumers of goods or services supplied by him, (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence)

A and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a *quia timet* action) will probably do so.

In an action for passing off, damage is also an essential element of the tort and it is necessary for the plaintiff to establish that he has
B suffered damage. However, if the goods in question, as in this case, are in direct competition with one another, the Court will readily infer the likelihood of damage to the plaintiff's goodwill through loss of sales and loss of the exclusive use of his name.

C **[23]** In present case, PW1 has given evidence regarding the proof of sale and extensive advertising done by the plaintiff in regard of the brand name ChipsMore. The plaintiff has actively and extensively promoted chocolate chip cookies bearing the ChipsMore trade mark, get-up and packaging through posters, billboards and
D national television. The plaintiff has expended substantial sums of money in promoting and advertising the ChipsMore trade mark, get-up and packaging. In my view, by virtue of the sales, advertising and promotion, the plaintiff has acquired substantial goodwill and reputation in its business and trade in chocolate chip cookies
E bearing the ChipsMore trade mark, get-up and packaging. The ChipsMore trade mark, get-up and packaging have become distinctive of the plaintiff in that the ChipsMore trade mark, get-up and packaging are associated in the minds of the purchasing public and the trade with the plaintiff's chocolate chip cookies of a
F certain quality originating from or associated with the plaintiff. In my view, the plaintiff is entitled to the exclusive use of the ChipsMore trade mark, get-up and packaging in connection with chocolate chip cookies to the exclusion of others including the defendant. Based on the evidence adduced, it is my view that the
G plaintiff has goodwill and reputation in its Chipsmore trademark and the packaging of the Chipsmore chocolate chip cookies by having the Chipsmore trademark in a wavelike manner, with the colours blue and yellow on the packaging.

H **[24]** I have had the benefit of seeing and examining the plaintiff's Chipsmore trade mark, get-up and packaging and the defendant's Chipsplus trade mark, get-up and packaging. In comparison, I observe and find the following:

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	Plaintiff's ChipsMore	Defendant's Chipsplus	Observation by the court
1.	Plastic Packaging of rectangular shape containing the chocolate cookie.	Plastic Packaging of rectangular shape containing the chocolate cookie.	The plastic packaging is similar
2.	The ChipsMore trade mark	The Chipsplus trade mark	1. Chipsplus is in capital letters 2. The Prefix is same 3. The Suffix is different; similarity in idea. 4. The letter C and P of Chipsplus are designed similar to ChipsMore's C and M.
3.	The placing of the ChipsMore trade mark in a wavelike manner	The placing of the Chipsplus is curvy	There is similarity in the way the trade mark is being designed, be it wavelike or curvy.
4.	The house mark "Danone" printed on the upper left hand side of the front of the packaging as well as its sides	The house mark "Luxury" is printed on upper left of the front packaging	The placing of both house marks at the upper left are the same.
5.	The colour yellow is applied to the whole of the packaging including the front and back.	The yellow colour packaging is used	The yellow colour used by both marks are very similar
6.	The chocolate chips scattered across the packaging concentrated mainly on the right of the packaging and tapering off towards the left of the packaging	3 pieces of chocolate chips cookies for front panel and 2 pieces of cookies for side panel are depicted on the packaging to give effect to the contents of the packaging.	1. The placing of a picture of the brand's chocolate cookies in both trade marks is similar. 2. Both trade marks are placed on the right side of the packaging.
7.	A blue swathe spanning across the packaging from left to right.	There is blue swathe in the packaging.	The blue swathe bears similarity in both marks.

[25] Taken as a whole and based on my observation, it is my finding that the defendant's Chipsplus trade mark, get-up and packaging are confusingly and deceptively similar to the plaintiff's chipsmore trade mark, get-up and packaging. In my view, the striking similarities render the trade and public to be confused as they are identical goods. More so as they are offered for sale to consumers either side by side or at the same section of supermarkets and other retail outlets. In this manner, the likelihood of confusion between the two products is extremely high. The defendant's Chipsplus chocolate chip cookies are sold alongside the plaintiff's ChipsMore chocolate chip cookies and appeal to precisely the same segment of customers; purchasers who recognize a product by reference to the general get-up, colour and shape of a product, will be misled. Indeed, taking into account the price of chocolate chip cookies, little time would be spent to scrutinize the respective get-up or the parts of the get-up, which refer to the origin of the respective products.

[26] In my view, the Chipsmore trade mark, get-up and packaging have become distinctive of the plaintiff's product and the use by the defendant of similar trade mark, get-up and packaging are likely to deceive or cause deception or confusion to a potential buyer of chocolate chip cookies. In this case, where the chocolate chip cookies of the plaintiff and defendant are in direct competition with one another, the court will infer likelihood of damage to the plaintiff's goodwill through the loss of sale. Therefore, I find that the defendant has passed off its products as the products of the plaintiff.

Conclusion

[27] Therefore, based on all the previously mentioned reasons, the plaintiff's claim is allowed with costs. I would make an order in terms to the plaintiff's statement of claim, para. 36(1)(a), (b), (c), (d) and (e); (2) and (3).